



Department of Energy
Western Area Power Administration
P.O. Box 281213
Lakewood, CO 80228-1213

9-30-05

MEMORANDUM FOR CLAUDIA A. CROSS, ME-50
CHIEF HUMAN CAPITAL OFFICER/DIRECTOR OFFICE OF
HUMAN CAPITAL MANAGEMENT/OMBE

FROM: FRANCES TELLES, A7200 *Frances Telles*
HUMAN RESOURCES MANAGER
WESTERN AREA POWER ADMINISTRATION

SUBJECT: Fourth Quarter FY 2005 Internal President's Management
Agenda Scorecard Report on Human Capital

The Western Area Power Administration is pleased to submit our human capital management performance report for the fourth quarter of FY 2005. The report is structured to match the nine scorecard requirements. Of special note this reporting period in Western's updated Human Capital Management Plan are the continued progress against hiring time models, cost savings resulting from optimizing organizational structures, and outstanding progress on skills assessments for information technology and procurement.

Western's Senior Managers are committed to supporting the President's Management Agenda and DOE's Human Capital Program. To achieve our vision of being a premier power marketing and transmission organization, we will need to recruit, retain and develop talented employees and use their skills in the most effective and efficient manner possible. Our Human Capital Management Plan is critical to achieving these goals.

Please direct any questions regarding this report to Frances Telles, Human Resources Manager, at (602) 605-2868, or Cheryl Zimmerman, Human Resources Specialist, at (720) 962-7122.

Attachments

cc: Thomas J. Wheeler, Office of Human Resources Management, ME-51,
Washington D.C.

Western Area Power Administration

FY 2005, Fourth Quarter

Internal PMA Scorecard for

Human Capital Management

Submitted: September 30, 2005

Western Area Power Administration
FY 2005, Fourth Quarter
Internal PMA Scorecard for Human Capital Management Report

Executive Summary

Western Area Power Administration's (Western's) mission is to market and deliver reliable, cost-based hydroelectric power and related services. Western's human capital management (HCM) programs and systems are designed to achieve our mission and strategic goals, but also to be efficient, technically sound, and merit-based. This quarterly report provides evidence of Western's commitment to continuous improvement in human capital management through measurable goals and results. We strive to successfully support the President's Management Agenda (PMA), as reflected in quarterly ratings. However, human capital management is not an end in itself, but a part of improving management in general, which ultimately improves service to Western's customers as well as the taxpayer.

Highlights of Western's Recent Accomplishments

- Western's five Human Resources offices were centralized into a consolidated office at one site (effective April 3, 2005). Cost savings from Western's HR reorganization are significant. Two employees (a GS-11 and a GS-13) transferred to other agencies; their positions were not filled. Additionally, savings of \$24,274 a year were achieved when work formerly done by a contractor was assigned instead to a federal employee.
- Average number of days from "date vacancy announcement closed" to "date job offered" is 28 (down from 29 last year) using the 45-day Hiring Model.
- Western had one SES vacancy during this quarterly time frame. Western used the 30-day SES hiring model to monitor and track the timely status of related vacancy announcement actions and milestones. From the date the vacancy closed to the date of submission to OPM's Quality Review Board was 27 days.
- Skills assessments have been completed by 91% of information technology positions, and 93% of procurement positions. No significant skills gaps have been identified.
- The tool for assessing the leadership/management competencies of supervisors, managers and executives has been completed by 94% of Western's leadership. No significant skills gaps have been identified.
- A Recruit Optimization Project for Dispatchers was completed. Applicant assessment questions were developed and are in use for four different categories: transmission operator, automatic generation control, scheduling & security, and training.
- Increases in addressing under-representation of minorities and white females in craft, technician, and mission-critical occupations.
- Selecting officials' satisfaction with automated hiring processes rated at level "4" out of a possible "5".
- New Hire Satisfaction Surveys rated at level "4" out of a possible "5".

- Ninety percent of surveyed departing employees would recommend Western as an employer.
- Performance plans for 100% of all SES, managers and non-supervisory workforce are linked to Department of Energy's (DOE's) mission. Performance plans for Senior Executive Service (SES) and managers differentiate between various levels of performance, and provide consequences based on performance.

Western's goals for the coming year are described in greater detail on the following pages, but will continue to focus on the following: close critical skills gaps, reduce hiring times, execute succession planning programs, enhance the performance appraisal process, optimize organizational structures, address under-representation, and integrate HCM into decision-making and budget processes. This will assure Western has the right people in the right place at the right time to achieve our vision of being a premier power marketing and transmission organization.

**Western Area Power Administration
FY 2005, Fourth Quarter
Internal PMA Scorecard for Human Capital Management Report**

Table of Contents

1.	Integration of Western Area Power Administration's (Western) Human Capital Management Plan Into Decision-Making Processes	1
2.	Meeting Hiring-Time Goals	2
A.	45-Day Hiring Model	2
B.	30-Day SES Hiring Model.....	2
3.	Reducing Skills Gaps in Mission-Critical Occupations	3
A.	Skills Gaps - Performance Measures	4
B.	Skills Gap - Milestones.....	5
4.	Implementing Succession Planning Strategies	6
A.	Succession Planning - Performance Measures	7
B.	Succession Planning - Milestones	8
5.	Western's Knowledge Management Program	8
A.	Knowledge Management - Performance Measures	9
B.	Knowledge Management - Milestones	10
6.	Implementing Strategies to Address Under-representation of Minorities and Females.....	11
A.	Under-Representation of Minorities and Females - Performance Measures.....	13
B.	Under-Representation of Minorities and Females – Milestones	14
7.	Analyze and Optimize Organizational Structures for Service and Cost.....	14
A.	Organizational Efficiency Performance Measures	14
8.	Linkage of Performance Appraisal Plans and Awards to DOE Mission.....	15
9.	Linkage of Western's Human Capital Management Plan and FY'07 Budget.....	16
	Attachment One	A1-1
	Attachment Two	A2-1
	Attachment Three	A3-1

**Western Area Power Administration
FY 2005, Fourth Quarter
Internal PMA Scorecard for Human Capital Management Report**

1. Integration of Western Area Power Administration's (Western) Human Capital Management Plan Into Decision-Making Processes

Linking Western's Human Capital Management (HCM) Strategy to Western's Program Goal and DOE Mission and Goals

Western's HCM Strategy is linked to Western's Program Goal as well as the DOE Mission and Goals. The management of human resources is tied to the accomplishment of major agency program activities and goals, and ultimately to DOE's mission. Western has three strategic goals: (1) to create and deliver high-value products and services to our customers using sound business practices; (2) to promote competition and reliability in the evolving electric utility industry; and (3) to recruit, develop, and retain a safety-focused, highly productive, customer-oriented and diverse workforce. The Department's Strategic Plan identifies four strategic goals (one each for defense, energy, science and environmental aspects of the mission) plus seven general goals that tie to the strategic goals. Western's Strategic Plan links directly to the DOE Energy Goal to protect our national and economic security by reducing imports and promoting a diverse supply of reliable, affordable, and environmentally sound energy. Western's mission is to market and deliver reliable, affordable, and environmentally sound energy.

Western's HCM strategy and associated plan ensure that trained and experienced personnel are available to perform work in meeting program and departmental goals and mission requirements. Western's workforce is responsible for marketing and delivering Federal hydropower, and for providing widespread use of Federal resources while producing sufficient revenue to repay American taxpayers' power investment. We achieve continuity of service by maintaining the power system at or above industry standards, rapidly restoring service following any system disturbance, mitigating adverse environmental impacts, and maximizing revenue from non-firm energy sales and power rates to support repayment of federal investment. These efforts and a variety of initiatives underway support the National Energy Policy and seek to improve the energy security as defined by DOE.

Western can only be successful if it has the people resources in place to achieve its goals. As discussed above, Western's Strategic Plan includes the People Goal: to recruit, develop and retain a safety-focused, highly productive, customer-oriented and diverse workforce.

Summary of Current HCM Status at Western Area Power Administration

Having successfully initiated a comprehensive HCM program, Western now focuses on implementing programs, measuring results, and incorporating continuous, customer-driven improvements. We have institutionalized the HCM framework into an ongoing cycle of continuous improvement which includes regular annual reviews of the HCM program and its results by Western Senior Managers. The most recent update was provided to Senior Management in April 2005.

Western will continue to follow through with the HCM plan by implementing, monitoring, and making course corrections as needed. By institutionalizing the HCM process, we believe it will become a normal and ongoing part of doing good business and achieving Western's mission and program plan.

2. Meeting Hiring-Time Goals

A. 45-Day Hiring Model

In support of OPM's 45-Day Hiring Model, Western has undertaken the following actions:

- Posted an SOP providing guidance on the roles, responsibilities and timeframes needed to ensure 45-Day hire targets.
- Implemented an on-line training program for supervisors on the hiring process.
- Endorsed the 45-Day Hiring Model in a letter from Western's Administrator to Western's Senior Managers.
- Established guidance for HR personnel on data input requirements to ensure consistent tracking of selection timeframes.
- Fully implemented the DOE SF-52 Tracking System in which all Western selections are posted. We have customized this tool to produce Western-specific data to better track our progress.
- For the period June 2005 through September 2005, the average number of work days from "date vacancy closed" to "job offer made" is 28. The mode is 20 days, and the median is 24 days. It is an improvement over the period June 2004 to June 2005 when the average hiring time was 29 days, the mode was 25 days, and the median was 27 days. This data reflects excellent teamwork between the Human Resources and management functions.

B. 30-Day SES Hiring Model

Western had one SES vacancy during this quarterly time frame, which was completed within the timeframes of the 30-day model. Western employed the use of the DOE 30-day SES hiring model to monitor and track the timely status of related vacancy announcement actions and milestones. From the date the vacancy closed to the date of submission to OPM's Quality Review Board was 27 days.

3. Reducing Skills Gaps in Mission-Critical Occupations

In April 2005, Western's Senior Management approved the Workforce Planning Report for 2005. This 75-page document (See Western's Report for FY05, Quarter 3, Attachment 3 - Western Area Power Administration Workforce Planning Report) solidifies the business case for workforce planning, describes Western's workforce planning process, evaluates the impact of the previous year's workforce planning efforts, describes four cross-cutting workforce planning process improvements, and lists 25 workforce planning recommendations by mission-critical series for 2005. Additionally, nine appendices describe each occupation's link to mission objectives for DOE and Western, provide a business forecast (including potential technological or other changes with impact in the next 3-5 years and how that will drive needed competencies), analyze attrition rates, analyze equal employment opportunity data, and forecast staffing needs through 2010.

The report projects the gap in number of employees in mission-critical series through 2010 (see Attachment 3, Critical Skills Gap Analysis). To deal with these gaps, we focus on implementing the workforce planning recommendations. The Workforce Planning Coordinator tracks and coordinates the efforts of the Workforce Planning Points of Contact on a quarterly basis. Each recommendation is tracked by priority, responsible party, status, target due dates, budget requested, performance metrics, and link to specific mission objectives. The workforce planning process includes interface with Western's budget office to ensure integration of FTE planning, and to provide support for appropriations requests for resources to accomplish mission goals. This process assures that identified skills gaps are closed. This information is tracked in a 20-page working document which is available upon request; key accomplishments are highlighted quarterly.

One of Western's key tools in attracting talent and reducing skills gaps is the "Recruit Optimization Project", which is typically implemented as a workforce planning recommendation. These projects consist of utilizing top subject matter experts to select the best applicant assessment option from among five options (the most recent option is category rating). They develop assessment questions and rating strategies. Finally, competencies are developed, along with a determination as to whether they are mission-critical. When DOE is ready, Western will place these competencies on the Training portion of the Employee Self-Service page, under Skills Self-Assessment, so that they can be used in much the same way as the competencies for the Information Technology and Leadership/Management. Recruit Optimization Projects have been completed for almost all of Western's mission-critical series. The exception is electrical and electronic engineering positions, which are scheduled for study in November, 2005.

Western is presently reviewing its workforce planning reports to determine whether a Voluntary Separation Incentive Payment (VSIP) or Voluntary Early Retirement Authority (VERA) request for FY 2006 will be submitted. Senior managers are reviewing their organizations to determine if they have a need for these authorities to assist in the accomplishment of a mission requirement. As part of the workforce planning recommendations approved by senior management in April, a template for office-specific workforce planning has been developed. It includes the question "Will the organization seek to use Voluntary Separation Incentive Payments and/or Voluntary Early Retirement Authority to achieve goals? Please provide details." This completed template will be due from organizations December 31, 2005.

A. Skills Gaps - Performance Measures

Western has several measures to evaluate reduction of skills gaps: rating Western's level of preparedness to place new employees in their organization, achievement of workforce planning recommendations, biannual employee feedback on recruitment and planning (via the HCM Employee Survey), selecting official satisfaction surveys, new hire surveys, and exit surveys. Additionally, automated skills assessments via the Employee Self-Service (ESS) are the most recent method of obtaining information about gaps.

- As part of the workforce planning process, the subject matter experts assess Western's level of preparedness to replace or add employees in their organization. The overall average of all mission-critical occupations was 7.26 on a scale of 1-10 (10 being the highest rating). Western feels somewhat well-prepared to replace or add employees. Although room for improvement remains, this reflects a reasonable level of preparedness for the first year of effort in workforce planning.
- Performance measures are in place for each of the workforce planning recommendations. Although they vary according to the specific recommendation, these standards clarify when an action may be considered completed.
 - Progress this quarter included the creation of four sets of applicant assessment questions (transmission operator, automatic generation control, scheduling & security, and training) for Western's Dispatcher occupation. This will improve hiring efficiency and effectiveness for an occupation which is a top workforce planning priority.
 - Another accomplishment is the creation of a localized workforce planning template to complement the corporate workforce planning activity to assure that all Western positions receive the benefit of workforce planning. Best practices were identified and used to create a streamlined template to facilitate consistent reporting. The local reports are due by December 31, 2005 of each year, and will be included in the annual corporate workforce report to create a comprehensive strategic planning document.
 - The Energy Management and Marketing occupation is creating a training program so that employees can stay current on changing policies and practices. Training topics have been identified, and templates are being developed for each topic.
 - Employee feedback was sought via Western's 2004 HCM Survey. Survey questions dealing with workforce planning were rated on a scale ranging from Strongly Disagree (1), to Strongly Agree (5). This information establishes our baseline data. Updated data will be available after the survey is next administered in 2006.

- After each hire, Western's Selecting Officials complete a survey addressing their satisfaction with the hiring process on a 1-5 (5 is best) scale. For the quarter ending June 30, 2005, the surveys indicated overall satisfaction of 4 or higher on all assessment dimensions including equitable applicant assessment, timeliness of hire, and overall satisfaction. The highest level of satisfaction was with the quality of applicants (4.4 out of 5). These reflect the highest levels of satisfaction to date, and indicate that Western is effectively hiring the best talent possible.
- New employees are provided with a 12-question survey during their first day on the job. They are asked questions about their experience with the hiring process. Sample questions include clarity and appropriateness of application instructions, timely responses to assistance with the application process, and length of hiring process. On a 1-5 scale (5 being best), all responses for calendar year 2004 are at or above the 4 level. Applicants were persuaded to accept Western's job offer due to pay, benefits, and the career opportunity. New hires were most impressed by the interview and the on-line application process. A minority of new hires believe the hiring process would be improved by faster response time.
- Employees leaving Western in the period of time spanning October 2003 through December 2004 were asked to complete an exit survey. Over 90% of those responding said they would recommend Western as an employer. Over half the departures were due to retirement. The most frequent areas of concerns were recognition for work, job satisfaction, career development/advancement opportunities, meaningfulness of work, and amount of basic pay. Exit survey results will be reported annually.
- The tool for assessing the IT skills gap reduction has been completed by 91% of Western's IT positions with no significant skills gaps identified.
- The tool for assessing the acquisition management competencies has been completed by 93% of Western's procurement staff. No significant skills gaps were identified.
- Western has just received guidance to implement the tool for assessing the financial management competencies, and has begun to complete the assessments.

B. Skills Gap - Milestones

Milestones

- September 2005 – Monitor and report progress on the 25 workforce planning recommendations against occupation-specific action plans. Each recommendation is tracked by priority, responsible party, status, target due dates, budget requested, performance metrics, and link to specific mission objectives. (Completed)
- December 2005 – Monitor and report progress on all 30 workforce planning recommendations against action plans. Each recommendation is tracked by priority, responsible party, status, target due dates, budget requested, performance metrics, and link to specific mission objectives.

- December 2005 – All Senior managers in Western submit localized workforce-planning reports which address the workforce planning case for any VERA/VSIP authorities requested.
- January 2006 – Assure that any needed budget submissions for workforce planning are included in the FY2008 budget request.

4. Implementing Succession Planning Strategies

Western has done an assessment of its supervisory bench strength. As shown in Attachment 2, Western could lose as much as 28% of its top leadership overall within the next two years. Western must be in a position to hire up to 28 top-level supervisory positions by October 2007. At the SES level, Western must be able to replace three top level executives (37% of the SES positions) with skills in regional and power administration leadership. At the GS-15 level, nearly 40% of the leadership may need to be replaced. Those skills needs are in Western's mission-critical occupations, including information technology, power marketing, operations, engineering, and maintenance management. Non-mission critical positions include EEO and accounting. At the GS-14 or equivalent level, 22% of the leadership positions may need to be filled. The mission-critical occupations include operations, maintenance, engineering, IT, and public utilities specialist. Non-mission-critical occupations include finance and accounting. Western is taking a number of steps to ensure that there is a sufficient pool from which to draw new leaders.

Western's succession planning efforts develop pools of people with the critical competencies needed for career progression at lower graded levels, and for development of leadership competencies at higher grade levels. The leadership succession programs involve the Management Succession Program (MSP), which is a noncompetitive program open to all supervisors, team leads and foremen at Western, and the Emerging Leaders Program (ELP), which is a competitive program open to non-supervisory GS-11 through GS-14 employees or equivalent. The focus of these two programs is on developing the 27 Executive Core Qualifications (ECQs) identified by OPM as critical for successful leadership. Participants have their ECQ skill level measured using the OPM 360 Degree Leadership Survey. Based on this information, participants and their mentors address these gaps by identifying developmental activities to increase the ECQ strengths. The third component of Western's Succession program is the Career Progression Program (CPP), which is for employees at or below the GS-10 or equivalent levels. The purpose of this third program is to develop employees for higher level positions in various functional areas. All three developmental programs are mentoring-based and as such, rely on the joint creation of a tailored Individual Progression Plan (IPP) as the basis for the self-development of each participant.

Western's only executive development program is the Management Succession Program. The program is undergoing changes; it is being re-named the Leadership Development Program (LDP). A key component of both program versions is the inclusion of rotational assignments or details. These developmental experiences provide the primary and most effective means for participants to acquire and enhance leadership skills and program and target-position competencies as well as provide an opportunity for participants to apply their knowledge, skills, and abilities to produce results. Most graduates of the MSP completed rotational assignments in

organizations ranging from offices of senior management, to other federal agencies and electric utilities. The new LDP program requires all participants to complete at least one 30-60 day detail during the 2-year program and may apply to do a second detail depending on fund availability.

A. Succession Planning - Performance Measures

Note: Western graduated the first class of the Emerging Leaders Program (ELP) in February, 2005.

- **OPM 360 Leadership Survey Ratings.** The entire ELP class took the OPM 360 assessment instrument for ECQs at the start of the program. They were given a “post-test” in May 2005, with results available in June 2005. The pre-post score comparison will be used as an indicator of participant improvement on leadership competencies during the program.
- **Participant Program Assessment.** Upon completion of the ELP the 20 participants were required to complete an assessment of their experiences. Reported below are the “Level 4” evaluation questions, i.e., those that relate to direct and observable changes back on the job. Ratings were done on a 5-point scale, with 1 = Strongly Disagree, and 5 = Strongly Agree.

ELP “Level 4” Assessment Questions	Average Rating
The program has helped me to develop a better understanding of WAPA	4.70
The program has helped me to gain a better understanding of myself	4.26
The program has helped me to re-think my approach to leadership of others	4.21
The program has helped me to adopt meaningful changes in how I approach and carry out my daily work	4.21
The program has helped me to re-think how I do, or would do, direct supervision of others	4.17

- **Employee ratings from the Western 2004 HCM Survey related to Succession Planning.** Each survey statement was rated on a scale ranging from Strongly Disagree (1), to Strongly Agree (5). This information establishes our baseline data. In future years we will report rating changes.

Succession Planning Indicator Questions	% Favorable (Agree plus Strongly Agree)
I am given opportunities to improve my skills in this organization	68%
I am given adequate feedback on the work I do	63%
People receive the training they need to do a quality job	61%
I have the opportunity to participate in developmental programs to further my career goals	59%
I believe my career aspirations can be met in this organization	58%

- The tool for assessing the leadership/management competencies of supervisors, managers and executives has been completed by 94% of Western's leadership. No significant skills gaps have been identified.

B. Succession Planning - Milestones

- January 2004 - Launch first cycle of Emerging Leaders Program, including pre-assessment of competencies using the OPM Leadership 360 survey. **(Completed)**
- January 2005 - Launch first cycle of the Career Progression Program, including pre-assessment of competencies using the OPM Leadership 360 survey. **(Completed)**
- February 2005 – Close out the current cycle of the Emerging Leader Program and collect participant evaluations. **(Completed)**
- May 2005 - Conduct post-ECQ assessment of participants from the Emerging Leaders Program using the OPM Leadership 360 survey. **(In Progress)**
- Fall 2006 – The second Management Succession Program will be renamed the “Leadership Development Program” and will be competitively advertised. **(On Schedule)**
- January 2006 – The Leadership Development Program will begin. **(On Schedule)**
- February 2006 – Graduate the first class of the Career Progression Program. **(On Schedule)**
- April/May 2006 – Two participants will begin the Federal Executive Institute program “Leadership for a Democratic Society”. **(On Schedule)**

5. Western's Knowledge Management Program

The key to effective knowledge management is getting the right knowledge to the right person when they need it. The electric utility industry has been in a state of flux and change for the last ten years, due to both technical innovations and radical policy changes. As such, Western has

been required by these external market forces to develop effective organizational learning strategies. These include:

- **Electric Power Training Center (EPTC)** is internationally known for its training of power plant operators, dispatchers, and maintenance personnel to work effectively with inter-connected operations. In the last five years the EPTC has also developed a series of training programs for managers, support staff, and executives that need to understand the operation of the inter-connected electric grid to better align their work decisions with the reality of the electric utility industry. Performance achievement is measured by the overall satisfaction rating collected from all students at the EPTC.
- **Regional Dispatcher Trainers** are a core of four full-time trainers dedicated to ensuring that electric power dispatchers at Western are current on all their skills and prepared for unusual situations. They ensure that continual education occurs in one of the most critical operational occupations at Western.
- The **Craft Apprentice Program** is four years in duration and designed to ensure that all new craft employees (e.g., Meter and Relay Craftsman, Lineman, Electrician, etc.) go through a structured learning program to the journeyman level. Performance achievement is measured by employees demonstrating specific skills and knowledge. These achievements are witnessed and documented by local supervisors. Twenty-two apprentices are currently enrolled in the program. The apprentice program has eight steps. Two employees are in Step 1, ten employees are in Step 3, six are in Step 5, and one each in Steps 4, 6, 7 and 8.
- The **Craftsman-In-Training Program** is variable in length and is designed to transition an experienced craft employee into a craft discipline for which they already have some level of competency. Performance achievement is measured by employees demonstrating specific skills and knowledge. These achievements are witnessed and documented by local supervisors. Eight craftsmen are currently enrolled in the program.
- **Project Management Certification.** Western has established a Project Management Advisory Group to oversee project management certification efforts. When Western rolled out the project management requirements in 2002, it focused on Western's formal projects, generally those with one million-plus budgets. In 2004, the focus was on the following goals, which were all achieved:
 - Providing support to small projects
 - Strengthening local project management resources groups
 - Developing a Project Management Certification Program
 - Reviewing information technology and capital investment functional implementation of project management business practices

A. Knowledge Management - Performance Measures

- **Satisfaction ratings from Electrical Power Training Center** In FY 2005, the average Overall Satisfaction rating from all students at the EPTC was 4.8 on a 5-point scale, with 310 students attending.
- **Percent Dispatchers certified by the North American Electric Reliability Council (NERC).** Western's power system dispatchers are required to obtain and maintain NERC system operator credentials. All Western's power system dispatchers have met this requirement and are NERC certified.
- **Annual employee survey data.** Western will periodically collect survey data on how well Western manages knowledge management in terms of both documentation and keeping employees current. Employee ratings from the 2004 HCM survey related to Knowledge Management are shown in the table below. Each survey statement was rated on a scale ranging from Strongly Disagree (1), to Strongly Agree (5). This information establishes our baseline data. The next assessment is scheduled for early 2006.

Knowledge Management Indicator Questions	% Favorable (Agree plus Strongly Agree)
Employees in my work unit share their knowledge with each other	73%
This organization provides opportunities for me to keep current on the latest trends, practices, procedures and changes to the work I do	62%
Critical information to perform my job is available when I need it	56%

- **Support of the DOE Knowledge Management Portal.** In support of the DOE Knowledge Management Portal, Western has submitted Point-of-Contacts for critical areas of Western's mission, Power Marketing and Maintenance (see Attachment 2 of the FY 2005, First Quarter report, "PMA Knowledge Management Portal Directories Submittal Form").

B. Knowledge Management - Milestones

- Participate on DOE's Knowledge Management Working Group and DOE's Knowledge Management Procurement Effort. **(On-going)**
- Performance data from the EPTC, Regional Dispatch Trainers, Craftsman-in-Training, and Craft Apprentice program. **(On-going)**
- September 2005 - Implement a tailored project management certification program for Western. **(Completed)**
- October 2005 - Conduct Western-wide assessment of project management maturity using industry standard. **(On schedule)**
- October 2005 - Assure management is trained on project management principles, expectations and how to apply within their organization. **(On schedule)**

- October 2005 - Engage local resources to review Western internal project management website, improve business tools, and share tips for effective project management processes. **(On schedule)**
- May 2006 - Certify 10 Project Managers. **(On schedule. Training has already been completed. Certification Pending)**

6. Implementing Strategies to Address Under-representation of Minorities and Females

Western addresses under-representation of minorities, females, and persons with disabilities through the implementation of the Equal Employment Opportunity Commission's (EEOC) EEO Management Directive (MD) 715 and innovative recruitment strategies. Western achieves this objective in the following manner:

Western FY05 MD 715 EEO Plan – The Western MD 715 EEO Plan (Plan) includes three objectives in increasing the representation of minorities and females in the craft, technicians, and mission-critical occupations, and one objective in increasing the representation of persons with disabilities and targeted disabilities. Progress was made on the representation of minorities and females. Below is a summary of the data comparing FY04 year-end (YE) data to FY05 third quarter data (all numbers shown are in term of percentages):

Rep. along the Plan	Minorities			White Females			White Males		
	FY04 (YE)	FY05 (3Q)	↑ or ↓	FY04 (YE)	FY05 (3Q)	↑ or ↓	FY04 (YE)	FY05 (3Q)	↑ or ↓
Craft	10.8	11.6	+ 0.8	1.9	2.1	+ 0.2	87.1	86.1	- 1.0
Technicians	9.7	11.8	+ 2.1	11.0	11.7	+ 0.7	79.3	77.6	- 1.7
Mission-Critical	13.9	14.2	+ 0.3	10.6	11.0	+ 0.3	75.6	75.0	- 0.6

From FY04 to FY05 third quarter, the representation of persons with disabilities declined from 10.4 percent to 9.7 percent and for targeted disabilities from 1.03 percent to 0.97 percent, respectively.

Workforce Composition and Hiring Trends – Western's total workforce composition and hiring trends from FY 2004 year -end through the third quarter of FY 2005 across all occupational areas are summarized as follows: White males declined from 867 employees to 857 employees (a decrease of .5 percent); White females increased from 278 employees to 279 employees (an increase of .1 percent); and minorities increased from 219 employees to 222 employees (an increase of .2 percent). Western will be assessing its workforce profile on a quarterly basis and report on under-representation of all EEO groups, including minorities, as compared to the national Civilian Labor Force (CLF).

Below is a summary of the Western workforce profile comparison by minority and gender for FY04 year-end and FY05 third quarter:

Workforce Profile by Minority and Gender	FY04 Year-end Workforce		FY05 Second Third Workforce		National Civilian Labor Force (CLF)		Representation Balance
	#	%	#	%	#	%	Above Parity or Under Parity
American Indian Females	6	0.4%	6	0.4%	4.1	0.3%	+ 1.9
American Indian Males	28	2.1%	31	2.2%	4.1	0.3%	+ 26.9
Asian Females	23	1.7%	22	1.6%	23.1	1.7%	- 1.1
Asian Males	25	1.8%	22	1.6%	25.8	1.9%	- 3.8
Black Females	12	0.9%	13	0.9%	77.4	5.7%	- 64.4
Black Males	18	1.3%	21	1.5%	65.2	4.8%	- 44.2
Hispanic Females	46	3.4%	45	3.4%	61.1	4.5%	- 6.1
Hispanic Males	61	4.5%	62	4.5%	84.2	6.2%	- 22.2
White Females	278	20.4%	279	20.4%	457.6	33.7%	- 178.6
White Males	867	63.6%	857	63.3%	529.6	39.0%	+ 327.4
Total:	1364	100%	1358	100%	1332.2	98.1% ¹	

Innovative Recruitment Strategies – Recruitment actions are being coordinated between Human Resources and the Office of Economic Impact and Diversity (OEID) for maximum efficiency and effectiveness in reaching target populations. During FY05, Western recruitment activities included the following:

- Western attended several recruitment fairs such as the career fairs at Laramie County Community College, Montana State University, Bismarck State College, United Tribes Technical College and Saint Mary's College.
- Western established relationships with several local colleges and universities and state/city offices for recruiting people with disabilities, minorities, and females. Some of these institutions are the California State Rehabilitation Office, City of Phoenix, Bismarck State College, Energy Institute of Casper Community College, Colorado State University, Chandler Gilbert Community College, and Northern Arizona University.

¹ The EEO groups "Native Hawaiian or other Pacific Islander" and "Two or more races," comprising 1.9 percent of the CLF population have been excluded from the CLF total. DOEInfo does not accept these designations; therefore no direct comparison can be made to the CLF with those EEO categories.

- Western, using QuickHire, sent vacancy announcements to colleges, universities, trade schools, and organizations with a significant minority representation.
- Western recruited positions at various grade levels; expanded the use of hiring at the entry level; employed management flexibilities to hire applicants; and used student, apprentice and craftsman-in-training programs as appropriate. As a result of these flexibilities, Western hired fourteen students and three veterans through the Veterans Recruitment Appointment authority. These hires equate to 15.6 and 3.3 percent respectively of all hires.

The DOE Hispanic Employment Program – The DOE Hispanic employment program is aggressively pursued in Western. During FY 2004 and through the third quarter of FY 2005, Western participated in several career fairs such as the Career Expo at New Mexico State University, the OPM Tucson Job Fair, and the Denver Federal Executive Board Employment Exposition, which historically attract a large Hispanic population. During FY 2005, Western hired seven Hispanics, which equate to 7.8 percent of the total hires. To further improve Hispanics' and other EEO groups' representation in Western's occupational groups and mission-critical occupations, Western developed individual Regional recruitment plans to help in such recruitment efforts.

A. Under-Representation of Minorities and Females - Performance Measures

Western commits to accomplishing the specific diversity goals/objectives:

- Increase representation by hiring minorities and females in craft occupations.

During this reporting period, Western hired two minority males into student trainee lineman positions, a minority male into an entry level electronic equipment craftsman position, and a non-minority female into an apprentice electrician position.

- Increase representation by hiring minorities and females in mission-critical occupations at higher grade levels.

Western hired a non-minority female into a GS-12 information technology specialist position, a minority male into a GS-12 electrical engineering position, a minority male and a minority female into energy management and marketing specialist positions at the AD-04 grade level.

- Increase representation by hiring minorities and females in technician occupations.

Western hired two non-minority female dispatch technicians under the Student Employment Program, a non-minority female into an engineering technician position and three minority males into power system dispatcher positions at the AD-04 grade level.

B. Under-Representation of Minorities and Females – Milestones

- October 2005 – Develop new objectives for Western’s Affirmative Employment Program Plan for FY 2006. Regional offices and CSO will utilize this Western-wide plan to establish objectives and action items specific to their organizations. **(On Schedule)**
- January 2006 – Affirmative Employment Plan Accomplishments for FY2005 will be reported to DOE and EEOC.

7. Analyze and Optimize Organizational Structures for Service and Cost

Organizational efficiency and effectiveness in Western has increased in a number of ways including the following: improving spans of control; reducing layers of management; reducing the number of managers; and restructuring to provide the most cost-effective service to its power and transmission customer. Western has always been sensitive to having the most efficient management structure needed for efficient and safe operations. We regularly monitor spans of control and levels of management through the annual “Western Workforce Profile and Award Information Report”.

The centralization of Western’s five HR Offices was effective April 3, 2005. The purpose was to optimize organizational structures for service and cost. The Human Resources Office is now organized in two specialized teams. The Employment and Position Management Team provides Western-wide services in classification, staffing, pay and processing advice and guidance, as well as policy development and operations oversight. Members of the Employment and Position Management Team are now organized around client groups, rather than geographic location. HR Specialists gain greater expertise and efficiency as they focus on narrower client groups, and processes become more consistent Western-wide. The Workforce Relations Team provides Western-wide support in employee and labor relations, training, development, retirement, work life issues and benefits.

Focus this past quarter has been on continuing implementation of the HR organization. For the HR function, this has included extensive meetings and communication to standardize processes and strategize how to best meet client need. For clients, this began with an HR Customer Satisfaction Survey to establish a baseline and better communicate needs. Customers have also received service provider listings, service standards, and continuing informational updates in organizational news bulletins. Site visits have been conducted to all major duty locations to meet with the clients, listen to concerns and address expectations. Clients are further supported by an HR Advisor who is located on-site at each major field organization.

A. Organizational Efficiency Performance Measures

- **Ongoing, monitor span of control to ensure ratio stays at 1:9 or above.**
Western’s current span of control is 1:12.7.
- **Periodic employee survey feedback on how efficiently Western functions.**
Employees provided ratings via Western’s 2004 HCM Survey regarding how efficiently Western functions. Each survey statement was rated on a scale ranging from Strongly

Disagree (1) to Strongly Agree (5). This information establishes our baseline data. In future years we will report changes in ratings.

Overall Organizational Efficiency Indicator Questions	% Favorable (Agree plus Strongly Agree)
This organization values safe work practices	95%
I am encouraged to work cooperatively with others to achieve objectives	78%
This organization gives employees the freedom they need to do their jobs	71%
People are given the resources they need to successfully perform their work	67%
Constant improvement is valued by our organization	53%
This organization is willing to make the changes necessary to remain efficient and effective	46%

- Restructuring to increase efficiency and improve span of control and reduce FTE. Restructuring activities this quarter include the following:
- As discussed above, Western's five Human Resources offices were centralized into a consolidated office at one site (effective April 3, 2005). Cost savings from Western's HR reorganization are significant. Two employees (a GS-11 and a GS-13) transferred to other agencies; their positions were not filled. Additionally, savings of \$24,274 a year were achieved when work formerly done by a contractor was assigned instead to a federal employee.

8. Linkage of Performance Appraisal Plans and Awards to DOE Mission

Western has the following accomplishments in linking Performance Appraisals to the DOE Mission:

- Performance plans for 100% of all SES are linked to clearly-defined, mission-related priorities that differentiate between various levels of performance and include desired leadership attributes for all executives. Executives rated as **Exceeds Expectations (Outstanding)** receive a bonus recommendation from 5% to 20% based on results achieved and level and significance of contribution to agency mission. Executives rated as **Needs Improvement** receive written notification concerning specific area(s) requiring improvement, a plan and time line to address and rectify area(s) for improvement and consequences of failure to do so. Executives rated as **Fails to Meet (Unsatisfactory)** will be removed from his/her position and placed in a position outside the SES or in another position in the SES for which he or she is qualified. Executives receiving two ratings of **Fails to Meet (Unsatisfactory)** or **Needs Improvement (Minimally Satisfactory)** will be removed from the SES in accordance with Federal and Departmental regulations.

- Under the DOE Managers and Supervisors performance management system, exceptional performers received a performance award of five percent of their basic salary for the rating cycle ending September 30, 2004. There were no poor performers identified during the cycle.
- Performance plans for one-hundred percent of supervisory and non-supervisory employees are linked to the DOE Mission.
- Western's non-supervisory employees were covered by a two-tier (i.e., pass-fail) performance rating system during the 2004 rating cycle with no performance awards tied to the annual performance ratings. Awards (such as SOARs and Gold Stars) are given for excellent performance. Three non-supervisory employees were placed on performance improvement plans and given an opportunity to improve their unacceptable performance during this rating cycle. Two employees improved their performance to the acceptable level and one employee, who continued to perform unacceptably, resigned from Federal service.

9. Linkage of Western's Human Capital Management Plan and FY'07 Budget

Western's HCM Plan was developed and implemented to ensure skills are available to carry out our mission today and in the future. Western has identified and addressed gaps in critical occupations and competencies to maintain a skilled workforce, developing staffing numbers for inclusion in budget documents that accurately reflect Western's FTE profile consistent with agency planning to address Administration priorities and policy, industry initiatives, regulatory requirements, etc. However, the commercial nature of the industry requires that Western leverage its human resources to the maximum extent possible to keep overhead costs low and power rates competitive.

Western's Program Direction budget activity provides compensation and all related expenses required to fund the workforce that operates and maintains Western's high-voltage interconnected transmission system and associated facilities; plans and designs the construction of replacements, upgrades and additions (capital investments) to the transmission facilities; and markets the power and energy produced to repay annual expenses and capital investment. HCM base funding for recruiting, retention, succession planning, training, workforce planning, knowledge management and similar efforts is included in the budget request/planning processes (related expenses) as a "cost of doing business".

Through a series of outcome measures (as included in the budget and a variety of performance reports), Western analyzes the staff effectiveness in accomplishing agency goals and the efficiency of agency efforts in meeting mission requirements. The results of this analysis provide agency management with information required to make key human resource decisions leading to changes in the organizational structure, staffing roles and responsibilities, funding, etc. Western regularly assesses HCM, as part of the annual budget development and ongoing, long-term HCM planning processes, to determine whether the skills and funding needed to support agency goals and mission are adequate. The results of the last review (reported in the 1st Quarter of FY 2005) reflected stable staffing levels and associated funding in FY 05/06 [1324 and 1326 FTE ('06 is part of Western's budget request, but has yet to be approved), respectively]. In FY 2007, as part of the budget planning cycle, Western will request 1331 FTE

to accommodate regulatory industry requirements for power scheduling, energy management and power marketing.

Attachment One

**Western Area Power Administration
Executive Core Qualification Competency Gaps, Sept. 2005**

SUMMARY MANAGEMENT COMPETENCY GAPS
ORGANIZATION: Western Area Power Administration (WAPA)

ECQ Competency	Manager/Supervisor's Grade				
	GS-12	GS-13	GS-14	GS-15	SES
Leading Change					
Continual Learning	0	0	1	0	0
Creativity/Innovation	0	1	3	0	0
External Awareness	0	1	5	0	0
Flexibility	0	0	2	0	0
Resilience	0	1	2	0	0
Service Motivation	0	0	1	0	0
Strategic Thinking	0	0	2	0	0
Vision	0	1	3	0	0
Leading People					
Conflict Management	0	4	6	0	0
Leveraging Diversity	0	1	0	0	0
Integrity/Honesty	0	3	3	0	0
Team Building	0	1	2	0	0
Results Driven					
Accountability	0	1	2	0	0
Customer Service	0	2	1	0	0
Decisiveness	0	1	3	0	0
Entrepreneurship	0	2	1	0	0
Problem Solving	0	3	1	0	0
Technical Credibility	0	1	1	0	0
Business Acumen					
Financial Management	0	3	4	0	0
Human Resources Management	0	0	1	0	0
Technology Management	0	3	6	0	0
Building Coalitions/Communications					
Influencing/Negotiating	0	1	4	0	0
Interpersonal Skills	0	1	3	0	0
Oral Communication	0	0	2	0	0
Partnering	0	1	1	0	0
Political Savvy	0	1	4	0	0
Written Communication	0	0	4	0	0

Attachment Two

**Western Area Power Administration
Supervisory Bench Strength**

10-Aug-05

Attachment Two

Supervisory (Full Supervisors) Bench Strength Worksheet
WESTERN AREA POWER ADMINISTRATION

August 29, 2005 through September 30, 2007

			Current Supervisory Workforce Expected Losses by Discipline					Future Supervisory Workforce Anticipated Need (as it relates to attrition)				
Supervisors	Current On- Board	Expected Losses	Attorney	Scientist	Engineer	Program Manager	Other**	Attorney	Scientist	Engineer	Program Manager	Other
SES	8	3	0	0	0	3					3	
GS-15 or Equivalent*												
GS-15	28	11	0	0	2	5	4**	0	0	2	5	4**
GS-14 or Equivalent*												
GS-14	54	11	0	0	5	1	5***	0	0	5	1	5***
AD-6 (EMMS, Dispatcher)	8	3										
TOTAL	98	28			7	9	9			7	9	9

* Excepted Service, Pay Banding, etc.

** Identify 'Other' Supervisory Skill set if necessary.

** Includes, EEO, IT, Accounting

*** Includes finance/accounting, public utilities specialist, IT

Attachment Three

**Western Area Power Administration
Critical Skills Gap Analysis**

Attachment Three

CRITICAL SKILLS GAP ANALYSIS WESTERN AREA POWER ADMINISTRATION

Updated September 30, 2005

Critical Skill by Series	Current Number of Positions Needing this Skill by Series (d)	Current Number of Positions Needing this Skill by Series (e)	Identified Gap (d-e)	FY2005				FY2006	FY2010	
				Goal	2 nd Quarter Results	3 rd Quarter Results	4 th Quarter Results	Goal	Goal (l)	Gap (d-l)
Project Management										
Level 1	N/A									
Level 2	10 Total, GS-0850 (4)*, GS-0855 (2), GS-0801 (1), GS-301 (3)	0 Total, GS-0850 (0), GS-0855 (0), GS-0801(0), GS-301(0)	10					10 Certified* by 5-2006	N/A	0
Level 3	N/A									
Level 4	N/A									
Contract Management										
Level 1	N/A									
Level 2	21 Total, GS-1102 (10), GS-1105 (2)	20 Total, GS-1102 (18), GS-1105 (2)	1	1 Training				Mar. 1, 2006	N/A	0
Level 3	9 Total, GS-1102 (8) Gs-1105 (1)	8 Total, GS-1102 (8), GS-1105 (0)	1	1 Projected to Retire				Jan. 30, 2006	N/A	0
Financial Assistance										
Level 1	N/A									
Level 2	N/A									
Level 3	N/A									
IT Management										
Level 1	2 Total, GS-2210 (1)	2 Total, GS-2210 (1)	0	N/A		No gaps.		N/A	N/A	0
Level 2	N/A									
Level 3	N/A									
Technical Qualification Program	N/A									
Western's Mission-Critical Series – Projected Number of Hires Needed										
AD-303 Energy Marketers										13-27 hires
AD-303 Dispatchers										35-65 hires
GS-850 Electrical Engineers										35-43 hires
GS-855 Electronics Engineers										11-14 hires
GS-1130 Public Utilities Spec.										18-31 hires
GS-2210 IT Specialists										28-36 hires
WB-2610 M&R, EEC, C&I										18-44 hires
WB-2801 Lineman										21-41 hires
WB-2810 Electrician										17-49 hires

* () = Number of people

*Note: PM Training has already been completed. Only the formal certification process must be done now.